



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

July 15, 2008

Manny Vela, President
American Security Group, Inc.
P.O. Box 92285
Pasadena, CA 91109

Dear Mr. Vela:

RE: FINAL MONITORING VISIT REPORT for American Security Group, Inc. (ASG) – ET06-0282

Date of the Visit:	07/03/08
Beginning/Ending Time:	10:00 a.m. – 11:00 a.m.
Date of Last Visit:	10/03/07
Visit Location:	Los Angeles
Persons in attendance:	Manny Vela, ASG Susan Valdez, ASG Mark Reeves, ETP Analyst
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	04/03/06 – 04/02/08	Agreement Amount:	\$455,618
Training Start Date:	04/03/06	No. to Retain:	364
Date Training must be Completed:	01/02/08	Range of Hours:	24 - 160
Type of Trainee:	Retrainee	Weighted Ave. Hours:	72 (Job 1) 58 (Job 2) 75 (Job 3) 85 (Job 4)

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FINAL REPORT SUMMARY:

- ***History of Agreement Changes***

Training began on April 3, 2006 and project staff confirmed that all training was completed by January 2, 2008 which allows for the 90-day retention period to be completed within the term ending date of April 2, 2008.

ETP approved the following revision to your Agreement:

Amendment Number 1 was executed on January 10, 2007 to add Phase II (Jobs 3 and 4) and Literacy Skills to the approved curriculum. This revision added 184 trainee slots and \$255,658 to this Agreement.

- ***Interview with the Signatory, Manny Vela, President***

You reported that your company did not experience any significant barriers in implementing your ETP project. However, you indicated that the State's annual budget stalemates during fiscal year transitions impacted your company's cash flow projections during the course of your Agreement, requiring ASG to realign portions of its training plan to accommodate these unforeseen interruptions in funding.

You stated that your project staff did not experience any record keeping problems during the administration of this Agreement and did not suggest any necessary changes to improve the online tracking process.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Job Number	Max to Retain	Number Enrolled in Training	Number of Trainees Dropped (following enrollment)	Number of Trainees Completed all Training	Number Trainees Placed (New Hires)	Number of Trainees Completed Retention
1	160	191	35	151	151	151
2	20	15	0	5	5	5
3	150	180	7	161	161	161
4	34	40	2	30	30	30
Totals:	364	426	44	347	*347	*347

*Note: 170 approved. 177 in review.

Breakdown and discussion of expected earnings:

Project staff provided Mr. Reeves with projected statistics for the closeout of this Agreement. As of the date of this meeting, your records show that 347 trainees have completed training and the 90-day retention period. The current ETP Contract Status Report shows that ASG has 170 approved placements and an additional 177 placements in review. To date, ASG has been paid \$366,322, of which \$221,563 has been approved as earned. You reported that your project staff thoroughly reviewed the employment status of the final group of trainees currently under review and you expect most (approximately \$200,000) of the outstanding placements in review to meet ETP's eligibility requirements. You and Ms. Valdez confirmed that the closeout invoice has been submitted and you informed Mr. Reeves that you expect to achieve a final completion rate above 90 percent following closeout of this Agreement.

ATTENDANCE ROSTERS:

Mr. Reeves reviewed multiple-date attendance rosters for 16 trainees from Jobs 1 through 4. The review period covered April 9, 2006 through November 7, 2007. The review confirmed that trainees completed 60 to 80 hours of training from the approved curriculum. Mr. Reeves found that ETP requirements were met and properly documented. The review confirmed that the 1:15 trainer-to-trainee ratio was maintained.

These findings are based only on the training records reviewed during this visit and represent only a sample of the training records completed to date. It is your responsibility to ensure that 100 percent of all training records are in compliance with Panel requirements prior to the closeout of this Agreement (Reference: Title 22, California Code of Regulations, Section 4442).

INVOICES:

During the records review noted above, Mr. Reeves validated training hours for trainees billed on placement Invoices 30, 32, and 34.

AUDIT:

ASG will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Mr. Reeves at (818) 755-3635 or by e-mail at sreeves@etp.ca.gov within ten (10) working days from the receipt of this report.

Sincerely,

Signature on file

Dolores Kendrick, Manager
North Hollywood Regional Office

Signature on file

S. Mark Reeves, Contract Analyst
North Hollywood Regional Office

cc: David Guzman, Chief, Program Operations Division
Kulbir Mayall, Manager, Fiscal and Certification
Master File
Project File

Date report mailed to Contractor _____